



Senate

General Assembly

File No. 446

January Session, 2007

Senate Bill No. 1290

Senate, April 11, 2007

The Committee on Government Administration and Elections reported through SEN. SLOSSBERG of the 14th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING ACCOUNTABILITY IN CONTRACTING WITH STATE AGENCIES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 1-218 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective January 1, 2008*):

3 Each contract in excess of [two million five hundred] two hundred
4 fifty thousand dollars between a public agency and a person for the
5 performance of a governmental function and any subcontract between
6 such person and any other person that is related to the performance of
7 such governmental function shall (1) provide that the public agency is
8 entitled to receive a copy of records and files, including, but not
9 limited to, the titles and salaries of the employees of such person,
10 related to the performance of the governmental function, and (2)
11 indicate that such records and files are subject to the Freedom of
12 Information Act and may be disclosed by the public agency pursuant
13 to the Freedom of Information Act. No request to inspect or copy such

14 records or files shall be valid unless the request is made to the public
15 agency in accordance with the Freedom of Information Act. Any
16 complaint by a person who is denied the right to inspect or copy such
17 records or files shall be brought to the Freedom of Information
18 Commission in accordance with the provisions of sections 1-205 and 1-
19 206.

20 Sec. 2. (NEW) (*Effective January 1, 2008*) (a) Notwithstanding any
21 provision of the general statutes, on or before March thirty-first of each
22 calendar year, any for-profit or nonprofit agency that has a contract,
23 subcontract, personal service agreement or purchase of service
24 agreement with the state to provide services to any state agency and
25 which constitutes the performance of a governmental function, as
26 defined in section 1-200 of the general statutes, as a condition of such
27 contract, subcontract, personal service agreement or purchase of
28 service agreement, shall provide, in a format determined by the
29 commissioner of such state agency, the following information to such
30 state agency: (1) Such for-profit or nonprofit agency's identifying
31 information, including the official name of such for-profit or nonprofit
32 agency, (2) any applicable provider state identification number, (3) the
33 name, business address and telephone number of the executive
34 responsible for such contract, subcontract, personal service agreement
35 or purchase of service agreement, (4) financial information including
36 the total annual operating budget that sets forth annual expenditures
37 for personnel and administrative expenses, in addition to any
38 independently conducted audits within the possession of such for-
39 profit or nonprofit agency that relate to the performance of such
40 governmental function, (5) personnel compensation information that
41 includes the average annual wages or salaries of employees and
42 professional staff engaged in such contracted for services, (6) the
43 names and salaries of the three highest paid officials of such for-profit
44 or nonprofit agency, (7) health care information that includes the
45 percentage of employees and professional and managerial personnel
46 who receive health care insurance through such for-profit or nonprofit
47 agency, and (8) any performance assessments conducted by such for-
48 profit or nonprofit agency in connection with such contract,

49 subcontract, personal service agreement or purchase of service
50 agreement.

51 (b) Any information submitted pursuant to the provisions of
52 subsection (a) of this section shall be subject to disclosure in
53 accordance with the provisions of chapter 14 of the general statutes.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2008</i>	1-218
Sec. 2	<i>January 1, 2008</i>	New section

LAB *Joint Favorable C/R*

GAE

GAE *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill lowers the threshold on the dollar value of certain state contracts that are subject to the Freedom of Information Act, from \$2.5 million to \$250,000. It requires that the public agency contracting for the services be provided salary and job title information relating to the employees performing the work under such contracts.

The bill also requires any for-profit or non-profit agency that has a contract, subcontract, personal service agreement, or purchase of service agreement with the state to provide certain information as outlined in the bill.

These provisions will have no fiscal impact to the state.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**SB 1290*****AN ACT CONCERNING ACCOUNTABILITY IN CONTRACTING
WITH STATE AGENCIES.*****SUMMARY:**

This bill expands the applicability of the governmental functions law to cover subcontractors and additional contractors. This law requires that public agency contracts with private parties to provide governmental functions include provisions (1) entitling the public agency to copies of records and files related to the contract and (2) indicating that such records and files are subject to disclosure under the Freedom of Information Act (FOIA).

Also, it creates a new disclosure requirement for any for-profit or non-profit agency seeking contracts, at any dollar amount, with the state to perform a governmental function. It requires these contractors to provide specific information to the state, including: company financial information, compensation of employees engaged in providing the contracted functions, and the names and salaries of the agencies' three highest paid officials. The bill makes this information subject to public disclosure under FOIA.

EFFECTIVE DATE: January 1, 2008

EXPANDING GOVERNMENTAL FUNCTION LAW

The bill lowers the dollar threshold, from \$2.5 million to \$250,000, of the governmental functions law and expands it to cover subcontractors.

It also specifies that the titles and salaries of the contractor or subcontractor's employees are part of the mandatory disclosure.

DISCLOSURE REQUIREMENT FOR CONTRACTS AT ANY DOLLAR AMOUNT

The bill creates a new disclosure requirement for any for-profit or non-profit agency that contracts, at any dollar amount, with the state to perform a governmental function. It (1) covers any contract, personal service agreement, or purchase of service agreement to provide services to any state agency that constitutes the performance of a government function, and (2) makes the information that must be provided under the bill subject to public disclosure under FOIA. The bill applies this requirement to any subcontract with a state agency, but it is not clear how a private entity subcontracts with the state.

As a condition of the contract, the providing entity must, by March 31 of each year, provide the following to the state agency:

1. identifying information, including the entity's official name and any applicable state identification number;
2. the name, business address, and telephone number of the executive responsible for the governmental function contract;
3. financial information including the total annual operating budget that sets the annual expenditures for personnel and administrative expenses, in addition to any independently conducted audits within the possession of such entity that relate to the performance of such governmental function;
4. personnel compensation information, including the average annual wages or salaries of employees and professional staff engaged in the contracted services;
5. the names and salaries of the three highest paid officials of the entity;
6. health care information, including the percentage of employees and professional and managerial personnel who receive health care insurance through such entity; and

7. any performance assessments the entity conducts in connection with the contract, subcontract, personal service agreement or purchase of service agreement.

The bill does not define "for-profit agency."

BACKGROUND

Performance of Governmental Function

By law a "governmental function" is the administration or management of a public agency's program authorized by law to be performed by an entity (1) receiving public agency funding; (2) participating in program policy formation and decisions that bind the agency; and (3) where the public agency is significantly, but not necessarily directly or continuously, involved in or regulating the entity's administration or management. The law excludes entities that merely provide goods and services to an agency and have no responsibility to administer or manage the agency's program.

COMMITTEE ACTION

Labor and Public Employees Committee

Joint Favorable Change of Reference

Yea 8 Nay 1 (03/01/2007)

Government Administration and Elections Committee

Joint Favorable

Yea 7 Nay 6 (03/28/2007)